

**CALENDAR ITEM**

**C53**

A 72

08/19/15

PRC 3394.1

S 34

R. Collins

**REVISION OF RENT**

**LESSEE:**

Dos Cuadras Offshore Resources, LLC (DCOR)  
290 Maple Court, Suite 290  
Ventura, CA 93003

**LAND, TYPE, AND LOCATION:**

2.671 acres, more or less, of sovereign land in the Pacific Ocean, San Pedro Bay near the City of Seal Beach, Orange County.

**AUTHORIZED USE:**

The continued operation and maintenance of four existing pipelines and one electrical conduit, consisting of one 12-inch diameter pipeline abandoned in place, one 3.5-inch diameter oil pipeline cased in a 10-inch pipe, one 10-inch diameter natural gas pipeline, one 4-inch diameter fresh water pipeline, and one 6-inch diameter electrical conduit.

**LEASE TERM:**

20 years, beginning October 21, 2010.

**CONSIDERATION:**

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be revised from \$31,200 per year to \$49,680 per year, effective October 21, 2015.

**OTHER PERTINENT INFORMATION:**

1. Lessee has the right to use the upland adjacent to the Lease Premises.
2. On October 29, 2010, the Commission authorized a General Lease – Right-of-Way Use to DCOR, for the continued operation and maintenance of four existing pipelines and one electrical conduit. The lease will expire on October 20, 2030.
3. The 3.5-inch oil pipeline and the 10-inch gas pipeline were hydrotested on June 24, 2015 with Commission staff present. The 3.5-inch oil pipeline

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passed inspection and the 10-inch pipeline hydrotest results will be provided to staff within 3 months. The last inline inspection of these lines was in 2013 and showed the pipelines were in good condition.

4. Staff conducted the rent review called for in the lease and recommends the rent increase.
5. Staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

**EXHIBIT:**

- A. Site And Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

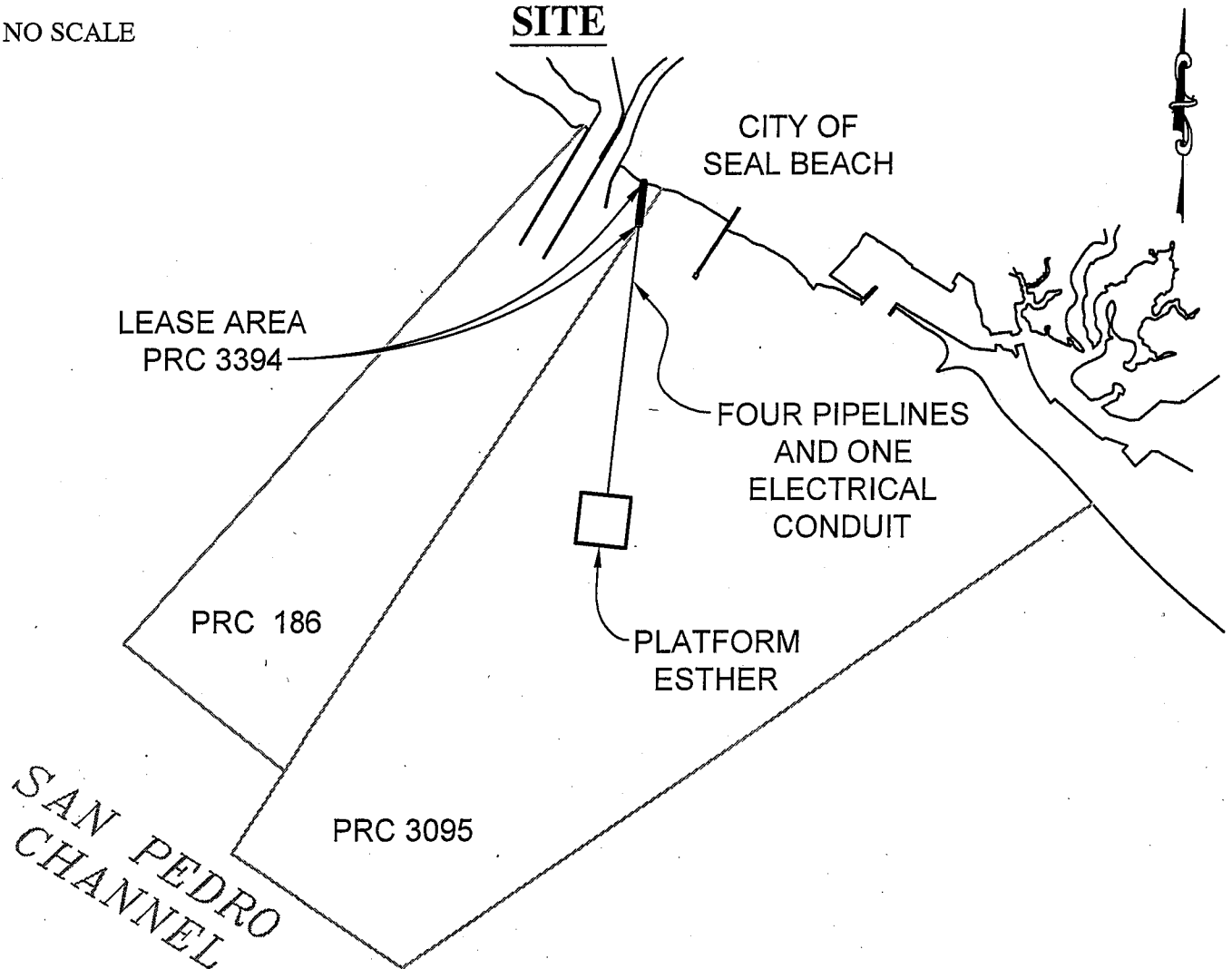
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 3394.1 from \$31,200 per year to \$49,680 per year, effective October 21, 2015.

NO SCALE

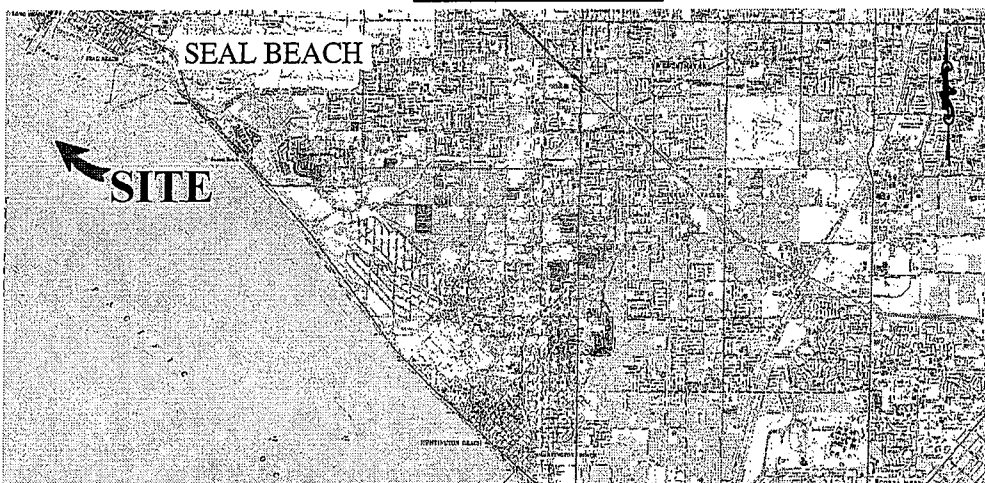
## SITE



ORANGE COUNTY, OFFSHORE OF THE CITY OF SEAL BEACH

NO SCALE

## LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

## **Exhibit A**

PRC 3394.1  
DCOR, LLC  
GENERAL LEASE -  
RIGHT-OF-WAY  
ORANGE COUNTY



RGB 06/01/15